



**MEMORANDUM**

**TO: TAX AND FISCAL POLICY TASK FORCE MEMBERS**  
**FROM: JONATHAN WILLIAMS, TASK FORCE DIRECTOR**  
**DATE: OCTOBER 28, 2010**  
**RE: 35 DAY MAILING—STATES AND NATION POLICY SUMMIT**

The American Legislative Exchange Council will host its States and Nation Policy Summit on **December 1-3 at the Grand Hyatt Washington Hotel in Washington, DC.**

On Wednesday, December 1st, the Fiscal Federalism Working Group will meet from 8:00 a.m. until 9:00 a.m., the Public Pension Reform Working Group will meet from 9:00 a.m. until 10:00 a.m., and the Fiscal Policy Reform Working Group will convene from 10:00 a.m. until 11:30 a.m. The Tax and Fiscal Policy Task Force will meet from 2:30 p.m. until 5:30 p.m., on Thursday, December 2nd. Our members at the State Policy Network are sponsoring a workshop entitled, "Creating True and Lasting Budget Reform in Your State." It will be held on December 2nd from 9:30 a.m. to 10:45 a.m.

Please find the following materials enclosed:

- States and Nation Policy Summit Tentative Schedule
- Task Force Meeting Tentative Agenda
- Draft Model Legislation
- 37th Annual Meeting Minutes
- ALEC Mission Statement
- ALEC Task Force Operating Procedures
- ALEC Meeting Reimbursement Policies
- Chicago Tribune Editorial

**Travel and Accommodations:** ALEC's States and Nation Policy Summit and all task force meetings will be held at the **Grand Hyatt Washington Hotel in Washington, D.C.** Please register for the conference online at [www.alec.org](http://www.alec.org). If you have any questions about registration, please call (866) 210-5134.

I look forward to seeing all of you in Washington, D.C., for what is sure to be an excellent meeting. If you have any questions or comments regarding the meeting, please contact me at 202-742-8533 or by e-mail at [jwilliams@alec.org](mailto:jwilliams@alec.org).

Cordially,

Jonathan P. Williams  
Tax & Fiscal Policy Task Force Director

## 2010 States & Nation Policy Summit Agenda\*

<b>Tuesday, November 30th</b>		
Joint Board of Directors Meetings	8:00 a.m. - 5:30 p.m.	Farragut/Lafayette
Registration	12:00 p.m. - 5:00 p.m.	Independence Foyer
ALEC Joint Board Reception and Dinner	6:30 p.m. - 9:30 p.m.	Off-site
<b>Wednesday, December 1st</b>		
Registration	7:30 a.m. - 5:00 p.m.	Independence Foyer
Task Force Subcommittee Meetings	8:00 a.m. - 11:45 a.m.	
Exhibit Hall	9:00 a.m. - 3:00 p.m.	Independence Foyer
State Chairs Meeting	9:00 a.m. - 11:45 a.m.	Willson/Roosevelt
New Legislator Orientation	10:30 a.m. - 11:30 a.m.	Franklin Square
<b>Opening Plenary Luncheon</b>	<b>12:00 p.m. - 2:00 p.m.</b>	Independence A
Task Force Chairs Meeting	2:15 p.m. - 3:15 p.m.	Franklin Square
Workshop I: Comparative Effectiveness Research: Rationing Care or Improving Quality?	2:15 p.m. - 3:30 p.m.	Farragut/Lafayette
Workshop II: Higher Education	3:45 p.m. - 5:00 p.m.	Farragut/Lafayette
National Chairman's Reception, <i>by invitation only</i>	5:30 p.m. - 6:30 p.m.	Independence IH
Hospitality Suite	9:00 p.m. - 11:00 p.m.	Congressional Parlor
<b>Thursday, December 2nd</b>		
Registration	7:30 a.m. - 5:00 p.m.	Independence Foyer
<b>Plenary Breakfast</b>	<b>8:00 a.m. - 9:15 a.m.</b>	Independence A
Exhibit Hall	9:00 a.m. - 3:00 p.m.	Independence Foyer
Workshop III: Show Me the Money: Budget Transparency in the States	9:30 a.m. - 10:45 a.m.	Farragut Square
Workshop IV: Delivering Justice to Rape Victims while Minimizing Taxpayer Cost	9:30 a.m. - 10:45 a.m.	Lafayette Park
Workshop V: Cutting Crime and Budgets: The National Movement	11:00 a.m. - 12:15 p.m.	Farragut Square
Workshop VI: EPA's Regulatory Assault: Higher Prices, Fewer Jobs, and Less Energy	11:00 a.m. - 12:15 p.m.	Lafayette Park
<b>Plenary Luncheon</b>	<b>12:30 p.m. - 2:15 p.m.</b>	Independence A
Task Force Meetings	2:30 p.m. - 5:30 p.m.	
• Energy, Environment, and Agriculture		Farragut/Lafayette
• Health and Human Services		
• Public Safety and Elections		Independence CDE
• Tax and Fiscal Policy		Independence FG Independence IH
Gala Holiday Reception	6:00 p.m. - 8:00 p.m.	Constitution AB
Hospitality Suite	9:00 p.m. - 11:00 p.m.	Congressional Parlor

<b>Friday, December 3rd</b>		
Registration	7:30 a.m. - 2:00 p.m.	Independence Foyer
<b>Plenary Breakfast</b>	<b>8:00 a.m. - 9:15 a.m.</b>	Independence A
Exhibit Hall	9:00 a.m. - 3:00 p.m.	Independence Foyer
Workshop VII: Federalism I	9:30 a.m. - 10:45 a.m.	Farragut Square
Workshop VIII: Overcriminalization	9:30 a.m. - 10:45 a.m.	Lafayette Park
Workshop IX: A Tax in Sheep's Clothing: How Extended Producer Responsibility Mandates Can Hurt Consumers and Business	11:00 a.m. - 12:15 p.m.	Farragut Square
Workshop X: Federalism II	11:00 a.m. - 12:15 p.m.	Lafayette Park
<b>Plenary Luncheon</b>	<b>12:30 p.m. - 2:15 p.m.</b>	Independence A
Task Force Meetings	2:30 p.m. - 5:30 p.m.	
• Civil Justice		Farragut/Lafayette
• Commerce, Insurance and Economic Development		Independence GHI
• Education		Independence CDE
• Telecommunications and Information Technology		Constitution A
• International Relations		Constitution B
Louisiana Preview Reception for 2011	5:30 p.m. - 6:30 p.m.	Franklin Square
Annual Meeting		
State Delegation Night	Beginning at 6:30 p.m.	See Your State Chair

\* Agenda subject to change.



**TAX AND FISCAL POLICY TASK FORCE MEETING  
ALEC'S 2010 STATES AND NATION POLICY SUMMIT  
WASHINGTON, DC**

**2:30 P.M. - 5:30 P.M., THURSDAY, DECEMBER 2**

**Indiana Sen. Jim Buck – Public Sector Chair  
Bob Williams – Private Sector Chair  
Jonathan Williams – Task Force Director**

- 2:30 Call to Order, Welcome, and Introductions**  
Indiana Sen. Jim Buck  
Bob Williams – Evergreen Freedom Foundation.
- 2:40 Old Business – Approval of Annual Meeting Minutes**
- 2:45 A Report from the Fiscal Federalism Working Group**  
Jason Mercier – Washington Policy Center
- 2:50 A Report from the Fiscal Policy Reform Working Group**  
Utah Sen. Wayne Niederhauser
- 2:55 A Report from the Public Pension Reform Working Group**  
Dr. Barry Poulson – University of Colorado
- 3:00 A Report from Congress**  
Congressman Tom Price, M.D.
- 3:15 In Defense of Capitalism**  
Dr. Tim Nash – Northwood University
- 3:25 The State-by-State Cost of Not Extending 2001 & 2003 Tax Relief**  
Dr. Bill Beach – The Heritage Foundation
- 3:35 Grading America's Governors on Fiscal Policy**  
Chris Edwards – Cato Institute
- 3:45 Right-to-Work Laws and Economic Competitiveness**  
Robert Graham – RG Capital, LLC.
- 3:55 Opportunities for Federal Tax Reform in 2011?**  
Jim Carter – Senate Budget Committee

**4:05 Consideration of Proposed Model Legislation**

- I. Amendments to ALEC's Resolution Calling for a Federal Balanced Budget Amendment**  
Minnesota Rep. Laura Brod
- II. Digital Goods and Services Tax Fairness Act**  
Lyle Williamson – Verizon
- III. Defined Contribution Pension Reform Act**  
Bob Williams – Evergreen Freedom Foundation
- IV. An Act Relating to the Reduction of Inequitable Benefits in State Pensions**  
Bob Williams – Evergreen Freedom Foundation
- V. A Constitutional Amendment Requiring State Approval for Increases in Federal Debt**  
Dr. Byron Schlomach – Goldwater Institute
- VI. A Resolution to Align Pay and Benefits of Public Sector Workers with Private Sector Workers**  
Indiana Sen. Jim Buck

**5:25 New Business**

**5:30 Adjournment**

## **Bill Summaries**

### ***Digital Goods and Services Tax Fairness Act***

State lawmakers are increasingly aware of the tremendous promise of a 21<sup>st</sup> century digital economy. Federal, state, and local governments should coordinate with relevant stakeholders to develop sound state and local tax policies that ultimately benefit consumers of digital goods and services.

### ***Inequitable Benefits Reduction Act***

Meeting inequitable benefits threatens the state and municipalities' ability to provide essential government services within a tax level suitable to the general welfare. This bill would reduce inequitable benefits for state and municipal employees to the appropriate private sector level of benefits.

### ***Defined-Contribution Retirement Act***

The defined-benefit model of retirement benefits for state and municipal employees is not fiscally sustainable. This bill will create and maintain a defined-contribution program in which all state and municipal employees hired on or after a date determined by the legislature will automatically enroll to become eligible to accrue retirement benefits.

### ***Amendments to ALEC's Balanced Budget Amendment Act***

The United States is on a fiscally dangerous path: the nation's debt level is expected to surpass GDP by 2012, meaning that we will owe more than we can produce. To address this problem, ALEC's model resolution calls for a constitutional amendment requiring a balanced federal budget. Task Force members will vote on an updated version of ALEC's 1995 Balanced Budget Amendment Act.

### ***Constitutional Amendment Requiring State Approval for Increases in Federal Debt***

To ensure our nation's stable economic future, this joint resolution calls for an Article V Amendment Convention. This convention would solely address a constitutional amendment stating that an increase in the federal debt requires approval from a majority of the legislatures of the separate states.

### ***A Resolution to Align Pay and Benefits of Public Sector Workers with Private Sector Workers***

Despite historic state budget gaps, state and local government workers received \$8,862 more per year than that of private workers in pay and benefits. This resolution states that all levels of state government should evaluate their current compensation and hiring practices and align them with those in the private sector.

# AMENDMENTS TO ALEC'S RESOLUTION CALLING FOR A FEDERAL BALANCED BUDGET AMENDMENT

## *Summary*

It took the United States 205 years to fall \$1 trillion in debt. By the end of 1992, the national debt was over \$4 trillion. Each baby born in the United States today enters the world owing \$40,000 on the federal debt. Our country is approximately \$13 trillion in debt. We are on a path that will lead to almost \$20 trillion in debt by 2015. The debt is now 89 percent of the total country's production, or GDP. Our debt level is expected to surpass GDP by 2012, which means that we will owe more than we can produce. If both the debt and our continual budget deficits continue at this rate of growth, interest payments on the debt will continue to dissolve the federal budget.

This resolution calls on the U.S. Congress to adopt a constitutional amendment requiring an annual balanced federal budget or as an alternative, calls for a Constitutional Convention as provided by Article V of the U.S. Constitution to propose a Constitutional Amendment requiring an annual balanced federal budget.

## *Model Legislation*

{Title, enacting clause, etc.}

**A RESOLUTION**, for the purpose of petitioning the Congress of the United States to adopt an amendment to the Constitution of the United States, for submission to the states, to require, with certain exceptions, that the federal budget be balanced; or, in the alternative, to call a convention for the sole and exclusive purpose of proposing a Federal balanced budget amendment for submission to the states for ratification.

**WHEREAS**, with each passing year this nation becomes deeply in debt as its expenditures grossly, and repeatedly, exceed available revenues so that the public debt now exceeds \$12 trillion; and

**WHEREAS**, attempts to limit spending, including the impoundment of funds by the President of the United States, have resulted in strenuous assertions that the responsibility for appropriations is the constitutional duty of the Congress; and

**WHEREAS**, the annual federal budget repeatedly demonstrates the unwillingness or inability of both the legislative and executive branches of the federal government to curtail spending to conform to available revenues; and

**WHEREAS**, the unified budget does not reflect actual spending because of the exclusion of special outlays which are not in the budget; and

**WHEREAS**, knowledgeable planning and fiscal prudence require that the budget reflect all federal spending and that the budget be in balance; and

46  
47 **WHEREAS**, believing that fiscal irresponsibility at the federal level is one of the greatest  
48 economic threats which faces our nation, we firmly believe that constitutional restraint is  
49 necessary to bring the fiscal discipline needed to reverse this trend; and

50 **WHEREAS**, the mounting debt level is putting our country not only at economic  
51 security risk, but it is opening our country up to a national security risk as our debt level  
52 restricts our capacity to act and shows weakness to our enemies; and  
53

54 **WHEREAS**, under Article V of the Constitution of the United States, amendments to the  
55 U.S. Constitution may be proposed by the Congress whenever two-thirds of both Houses  
56 deem it necessary, or on the application of the legislatures of two-thirds of the several  
57 states the Congress shall call a constitutional convention for the purpose of proposing  
58 amendments;  
59

60 **NOW THEREFORE BE IT RESOLVED**, by the legislature of the state, a majority of  
61 all members of the two houses, voting separately, concurring herein, that the Congress of  
62 the United States of America is hereby petitioned to adopt an amendment to the  
63 Constitution of the United States, for submission to the states for ratification, requiring,  
64 with certain exceptions, that for each fiscal year the president of the United States submit  
65 and the Congress of the United States adopt a balanced federal budget; or, in the  
66 alternative,  
67

68 **BE IT FURTHER RESOLVED**, effective [insert date] that pursuant to Article V of the  
69 Constitution of the United States, the legislature of the state makes application to the  
70 Congress of the United States of America to call a convention for the specific and  
71 exclusive purpose of proposing an amendment to the Constitution of the United States,  
72 for submission to the states for ratification, requiring, with certain exceptions, that for  
73 each fiscal year the president of the United States submit and the Congress of the United  
74 States adopt a balanced federal budget.  
75

76 **BE IT FURTHER RESOLVED**, that if Congress adopts, within 90 days after the  
77 legislatures of two-thirds of the states have made application for such convention, an  
78 amendment to the Constitution of the United States similar in subject matter to that  
79 contained in this resolution, then this application for a convention shall no longer be of  
80 any force or effect.  
81

82 **BE IT FURTHER RESOLVED**, that this application and request be deemed null and  
83 void, rescinded, and of no effect in the event that such convention not be limited to the  
84 aforementioned specific and exclusive purpose of a Federal Balanced Budget  
85 Amendment.  
86

87 **BE IT FURTHER RESOLVED**, that this application shall be deemed null and void,  
88 rescinded, and of no effect in the event the U.S. Supreme Court rules that a convention  
89 cannot be limited to the subject stated in 34 such applications.  
90

91 **BE IT FURTHER RESOLVED**, that this application by this legislature constitutes a



92 continuing application in accordance with Article V of the Constitution of the United  
93 States until at least two-thirds of the Legislatures of the several states have made  
94 application for a similar convention pursuant to Article V or Congress has proposed an  
95 amendment to the Constitution of the United States similar in subject matter to that  
96 contained in this Joint Resolution.

97  
98 **BE IT FURTHER RESOLVED,** that certified copies of this Joint Resolution be  
99 transmitted by the Secretary of State to the President of the United States Senate, to the  
100 Speaker of the United States House of Representatives, to each member of this state's  
101 delegation to the Congress and to the presiding officer of each house of each state  
102 legislature in the United States.

103 *ALEC's Sourcebook of American State Legislation 1995*

# DIGITAL GOODS AND SERVICES TAX FAIRNESS ACT

## *Summary*

State lawmakers are increasingly aware of the tremendous promise of a 21<sup>st</sup> century digital economy. In search of sustainable sources of revenue, some states have begun to aggressively tax transactions involving digital goods and services. Since 2007, thirty-one state legislatures considered bills intending to tax some aspects of digital commerce. Currently, thirteen states have enacted statutes taxing digital goods, while at least nine other states tax digital goods through administrative guidance. Thus far, only North Dakota has enacted a law specifically exempting digital goods and services from taxation.

Federal, state, and local governments should coordinate with relevant stakeholders to develop sound state and local tax policies that ultimately benefit consumers of digital goods and services. In so doing, these policies will encourage broadband investment in all regions of all states, thereby promoting affordable broadband access, ensuring fairness in taxation of digital commerce, and facilitating the development of sustainable state tax systems with minimal distortions.

This resolution signals the American Legislative Exchange Council's ("ALEC's") support for a consistent, nondiscriminatory, and legislatively-driven tax framework that provides greater clarity and certainty with respect to the sale of digital goods and services. ALEC also supports the principle that, to avoid multiple taxation, any tax on digital goods and services should be sourced to the state and local jurisdiction whose territorial limits encompass the customer's tax address.

## *Model Resolution*

**WHEREAS**, the American Legislative Exchange Council ("ALEC") has a foundational and principled history of fighting against excessive, multiple, discriminatory and inconsistent taxation while promoting private sector competitiveness and states' rights in taxation or non-taxation of goods and services; and

**WHEREAS**, digital goods and services include, but are not limited to: ring tones, downloaded or streaming music and movies; downloaded books; and certain business-to-business products; and

**WHEREAS**, states define "digital goods" in arbitrary and diverse manners, if at all, resulting in inconsistent tax treatment, excessive taxation, administrative and compliance difficulties and the additional threat of sweeping in a variety of electronically delivered services that would not be taxed if delivered by other means, thereby creating multiple or discriminatory taxes on electronic commerce in violation of the Internet Tax Freedom Act; and

46 **WHEREAS**, some states have considered legislation that specifically taxes electronically  
47 delivered products, including digital goods, under their sales taxes, while other states tax  
48 the same products under telecommunications tax statutes or as tangible personal property,  
49 thereby creating compliance difficulties as well as potentially excessive and  
50 discriminatory tax rates; and

51  
52 **WHEREAS**, states have acknowledged the importance of broadband investment, the  
53 tremendous economic growth, entrepreneurial and employment opportunities made  
54 available to the citizenry by the availability of broadband and resultant expansion of  
55 economic vitality through the provision of sales and services over the Internet; and

56  
57 **WHEREAS**, existing state laws governing sales and use and other transaction taxes are  
58 out-dated and ill-equipped for today's international digital ecosystem that operates over  
59 global communications networks, impeding broadband investment and adoption; and

60  
61 **WHEREAS**, digital goods and services can be accessed and downloaded in a mobile  
62 environment with substantial risk that, without a national governing framework, multiple  
63 states and localities will claim they have authority to tax the same digital transaction; and

64  
65 **WHEREAS**, a consistent framework for taxation is needed that will not impede  
66 electronic commerce and the sale of digital goods and digital services, by preventing  
67 multiple taxation, and providing greater certainty and simplicity; and

68  
69 **WHEREAS**, transactions involving electronically delivered products and services should  
70 not be subject to taxes at a higher rate or under a broader base than taxes generally  
71 imposed on transactions involving tangible personal property; and

72  
73 **WHEREAS**, state legislatures should preserve their inherent authority to tax or exempt  
74 transactions involving electronically delivered products and services through the  
75 legislative process, under a fair tax regime, while ensuring that their states are prepared  
76 for the 21<sup>st</sup> century digital economy; and

77  
78 **WHEREAS**, sound state and local tax policies for digital goods and services will provide  
79 clarity and certainty for consumers, for state and local governments and for businesses  
80 that are asked to collect taxes on behalf of states and localities; and

81  
82 **WHEREAS**, H.R. 5649 has been introduced in the 111<sup>th</sup> Congress and encompasses  
83 these principles.

84  
85 **NOW THEREFORE BE IT RESOLVED**, the American Legislative Exchange Council  
86 supports congressional exercise of its commerce clause authority through passage of a  
87 federal-state framework that will ensure consumers of this new, innovative form of  
88 commerce are not subject to multiple, discriminatory and inconsistent state and local tax  
89 laws and the authority of states is clarified to enable states to establish their own  
90 sustainable sources of revenue.

# DEFINED-CONTRIBUTION PENSION REFORM ACT

## Intent Section

The Legislature finds that the defined-benefit model of retirement benefits for state and municipal employees is not fiscally sustainable. It is the intent of the Legislature, therefore, to direct the [state retirement board] to create and maintain a defined-contribution program in which all state and municipal employees hired on or after [date], 2011 will automatically enroll after [X] months of employment to become eligible to accrue retirement benefits.

## Short Title

This Act shall be known and may be cited as the “Defined-Contribution Retirement Act.”

## Definition

“Defined-contribution retirement system” means a compensation system of post-employment benefits which are accorded based upon

(1) The percentage of salary the employer contributes

(2) The percentage of salary the employee contributes

(3) The investment return of the 401(k) plan to which the employer and employee contributions are made

“Vested” or “vesting” refers to the point at which an employee has become eligible to receive benefits upon retirement.

## Enrollment of new employees

State and municipal employees hired on or after [date], 2011 will automatically enroll after [X] months of employment.

## Contributions

Upon enrollment, the employer shall contribute [X] percent of each employee’s salary toward a defined-contribution plan qualified under section 401(k) of the Internal Revenue Code.

Upon enrollment, the employee must contribute [X] percent and may voluntarily contribute up to [X] percent of salary to the same 401(k) plan which receives the employer’s contributions.

## Vesting

29 The full amount contributed by the employer to the employee's plan vests after [X] years. The  
30 employee contribution to the plan vests immediately and is not subject to forfeiture.

### 31 **Investment**

32 The state shall sponsor [X] investment funds eligible for use in the 401(k) plan, including a  
33 default fund into which contributions flow prior to vesting.

34 Prior to vesting, the employer contributions will be directed into a default investment fund.

35 Upon vesting, the employer contributions may be directed by the employee into a combination of  
36 available investment funds at [X] percent increments.

37 The employee contributions which vest to the employee immediately are directed into a default  
38 investment fund but may be redirected by the employee into a combination of other available  
39 investment funds at [X] percent increments.

40 Investment of such funds shall be self-directed and shall be administered by an agency of the  
41 state on behalf of the employees and subject to annual audit by the state Comptroller, the results  
42 of which shall promptly be made available to all state and municipal workers and citizens of the  
43 state.

### 44 **Redemption**

45 Upon completion of service, all vested contributions and returns in the 401(k) plan are eligible  
46 for redemption in full or in the form of an annuity by the employee.

47 At the employee's election, all vested contributions and returns may be paid out in the form of an  
48 annuity for a time certain, for life, or for a joint and survivor annuity.

### 49 **Forfeiture**

50 If employee terminates employment prior to vesting, employer contributions are subject to  
51 forfeiture.

52 Such contributions may become eligible for vesting again if the employee enters employment  
53 with the same or participating state employer within [X] years, at which point previous years  
54 worked are used to determine the vesting eligibility.

55 The retirement board shall set up a forfeiture account and specify its uses, which may include the  
56 subsidy or employer contributions.

57

1           **AN ACT RELATING TO THE REDUCTION OF INEQUITABLE**  
2                           **BENEFITS IN STATE PENSIONS**

3   **Intent Section**

4   The Legislature finds that the United States Constitution, as interpreted by the U.S. Supreme  
5   Court, provides that a state is justified in impairing a contractual obligation if it has a significant  
6   and legitimate public purpose, such as the remedying of a broad and general social or economic  
7   problem, such as the elimination of unforeseen windfall profits, and that an impairment may be  
8   constitutional if it is reasonable and necessary to serve an important public purpose.

9   It is the Legislature's intention that inequitable benefits be reduced for state and municipal  
10   employees to the appropriate equivalent federal or private sector level of benefits since the  
11   meeting of inequitable obligations threatens the state and municipalities' ability to provide  
12   essential government services within a tax level suitable to the general welfare.

13   **Short Title**

14   This Act shall be known and may be cited as the "Inequitable Benefits Reduction Act."

15   **Definition**

16   Inequitable benefits means retirement benefits (both pension compensation and medical  
17   coverage) that in the aggregate exceed the median of similar benefits for career federal  
18   employees or private sector employees for positions of comparable responsibilities and direct  
19   compensation.

20   **Reduction of Inequitable Benefits**

21   Accrued obligations to all state and municipal workers shall be immediately adjusted to a level  
22   comparable to that of career federal employees, or, in the election of the legislature, private  
23   sector workers for positions of comparable responsibility and direct compensation. Such  
24   adjustments shall be calculated by an independent review panel appointed by and answerable to  
25   the state [Comptroller] and, due to inherent conflicts of interest, sole jurisdiction for judicial  
26   review of such adjustments shall vest in the appropriate federal court and not the courts of the  
27   state. The Legislature directs the state [Comptroller] to eliminate from calculation all abusive  
28   practices such as, without limitation, use of overtime provisions to increase the compensation  
29   base against which retirement benefits may be calculated.

30

31

1                   **A CONSTITUTIONAL AMENDMENT REQUIRING STATE**  
2                   **APPROVAL FOR INCREASES IN FEDERAL DEBT**

3  
4  
5   **WHEREAS**, Article V of the Constitution of the United States provides authority for a  
6   Convention to be called by the Congress of the United States for the purpose of  
7   proposing amendments to the Constitution upon application of two-thirds of the  
8   Legislatures of the several States (“amendments convention”) and,  
9

10 **WHEREAS**, the Legislature of the State of {insert state} favors the proposal and  
11 ratification of an amendment to said Constitution, which shall provide that an increase in  
12 the federal debt requires approval from a majority of the legislatures of the separate  
13 States.

14                   **Therefore, be it resolved:**

15  
16           **Section 1.** That, as provided for in Article V of the Constitution of the United  
17 States, the Legislature of the State of {insert state} herewith respectfully applies for an  
18 amendments convention to be called for the purpose of proposing an amendment which  
19 shall provide that an increase in the federal debt requires approval from a majority of the  
20 legislatures of the separate States.  
21

22           **Section 2.** That the amendments convention contemplated by this application  
23 shall be entirely focused upon and exclusively limited to the subject matter of proposing  
24 for ratification an amendment to the Constitution providing that an increase in the federal  
25 debt requires approval from a majority of the legislatures of the separate States.  
26

27           **Section 3.** Notwithstanding anything to the contrary set forth above, this  
28 application shall be held for naught and deemed rescinded under either of the following  
29 conditions:  
30

- 31           A. Congress shall first propose an amendment for ratification by the States  
32           pursuant to Article V of the Constitution of the United States exclusively  
33           stating, “An increase in the federal debt requires approval from a majority of  
34           the legislatures of the separate States,” prior to its receipt of the amendments  
35           convention applications of thirty-four States proposing the same subject  
36           matter as this application.  
37  
38           B. Congress calls an amendments convention to consider any subject matter  
39           other than an amendment providing that an increase in the federal debt  
40           requires approval from a majority of the legislatures of the separate States,  
41           based upon its receipt of the amendments convention applications of thirty-  
42           four States proposing the same subject matter as this application.  
43

44           **Section 4.**

45  
46           **BE IT FURTHER RESOLVED THAT** a certified copy of this application be

47 dispatched by the Secretary of State (or other responsible constitutional officer), to the  
48 President of the United States Senate, to the Speaker of the United States House of  
49 Representatives, to each member of the applicant's delegation to the United States  
50 Congress, and to the presiding officers of each house of the several state legislatures,  
51 requesting their cooperation in applying for the amendments convention limited to the  
52 subject matter contemplated by this application.



1       **A RESOLUTION TO ALIGN PAY AND BENEFITS OF PUBLIC**  
2       **SECTOR WORKERS WITH PRIVATE SECTOR WORKERS**

3  
4       **WHEREAS**, states will have faced \$296.6 billion in budget gaps between fiscal year  
5       2009 and fiscal year 2012, and  
6

7       **WHEREAS**, states will face \$127.4 billion in budget gaps for the remainder of fiscal  
8       2010, fiscal 2011, and fiscal 2012, and  
9

10       **WHEREAS**, the total compensation costs per hour worked for states and local  
11       government employees is 43.6% higher than the total compensation costs for private  
12       sector workers, and  
13

14       **WHEREAS**, state and local government workers received \$8,862 more per year than that  
15       of private workers in pay and benefits, and  
16

17       **WHEREAS**, federal workers received \$61, 998 more per year than that of private  
18       workers in pay and benefits, and  
19

20       **NOW THEREFORE BE IT RESOLVED** that the legislature of the state of {insert  
21       state}: will oppose any tax increase at the state level, until all levels of state government  
22       have evaluated their current compensation and hiring practices to align them with those  
23       in the private sector.  
24

25       **BE IT FURTHER RESOLVED**, that this state is on record as opposing any form tax  
26       increase in this time of historic budget gaps before addressing the excessive amount of  
27       pay government workers receive in comparison to workers in the private sector.  
28  
29  
30

# ATTENDEE

## REGISTRATION / HOUSING FORM

AMERICAN LEGISLATIVE EXCHANGE COUNCIL  
**ALEC**



**Early registration deadline: November 10, 2010**  
**Housing cut-off date: November 04, 2010**

**Grand Hyatt Washington  
Hotel**  
**1000 H Street, NW**  
**Washington, DC 20001**

**December 1-3, 2010**

**Online**  
www.alec.org

**Fax (credit cards only)**  
202.331.1344

**Phone / Questions** • Mon-Fri, 9am-5:30 pm Eastern  
Registration: 202.742.8538 / Housing: (800) 221-3531

**Mail** • ALEC Registration & Housing  
P.O. Box 96754 • Washington, DC 20090-6754

### ATTENDEE INFORMATION

Prefix (required) ☐ Sen ☐ Rep ☐ Del ☐ Mr ☐ Mrs ☐ Ms ☐ Other \_\_\_\_\_  
Last Name \_\_\_\_\_ First Name \_\_\_\_\_ Middle Initial \_\_\_\_\_ Badge Nickname \_\_\_\_\_  
Title \_\_\_\_\_  
Organization (required) \_\_\_\_\_  
Address \_\_\_\_\_ Suite # \_\_\_\_\_  
City \_\_\_\_\_ State/Province \_\_\_\_\_ Country \_\_\_\_\_ ZIP/Postal code \_\_\_\_\_  
Daytime phone \_\_\_\_\_ Fax \_\_\_\_\_ Alternate phone \_\_\_\_\_  
Email (confirmation will be sent by email) \_\_\_\_\_  
Spouse / Guest: If registering a spouse or guest, please complete the spouse/guest registration form.

### REGISTRATION INFORMATION

**\*\*Save \$50 on registration by booking your hotel room in ALEC's headquarter hotel\*\***

**DISCOUNTED REGISTRATION FEES** are extended only to registrants booking ALEC's headquarter hotel. Your \$50 savings will become valid when accommodations are confirmed.

**Note: Member fees are subject to verification**

- ☐ I have already registered # \_\_\_\_\_
- ☐ ALEC Legislative Member
- ☐ Legislator / Non-Member
- ☐ Newly Elected Legislator (2010 Election Cycle)
- ☐ ALEC Private Sector Member
- ☐ Private Sector Non-Member
- ☐ ALEC Non-Profit Member (501(c)(3) status required)
- ☐ Non-Profit Non-Member (501(c)(3) status required)
- ☐ Legislative Staff / Government
- ☐ ALEC Legacy Member

	Early Until 11/10	On-Site Begin 11/11	Amount
<input type="checkbox"/> I have already registered # _____			
<input type="checkbox"/> ALEC Legislative Member	\$ 375	\$ 475	\$ _____
<input type="checkbox"/> Legislator / Non-Member	\$ 475	\$ 575	\$ _____
<input type="checkbox"/> Newly Elected Legislator (2010 Election Cycle)	\$ 375	\$ 475	\$ _____
<input type="checkbox"/> ALEC Private Sector Member	\$ 725	\$ 875	\$ _____
<input type="checkbox"/> Private Sector Non-Member	\$ 925	\$ 1100	\$ _____
<input type="checkbox"/> ALEC Non-Profit Member (501(c)(3) status required)	\$ 525	\$ 625	\$ _____
<input type="checkbox"/> Non-Profit Non-Member (501(c)(3) status required)	\$ 675	\$ 825	\$ _____
<input type="checkbox"/> Legislative Staff / Government	\$ 400	\$ 500	\$ _____
<input type="checkbox"/> ALEC Legacy Member	\$ 0	\$ 0	\$ _____

Promo Code \_\_\_\_\_

**TOTAL REGISTRATION FEES: \$ \_\_\_\_\_**

**Note:** Registration forms with enclosed payments must be postmarked by November 10, 2010 to be eligible for early registration rates. Forms and/or payments received after November 10 will be subject to the on-site registration rate. If registering after November 10, please bring completed form and payment to register on-site.

### REGISTRATION CONFIRMATION INFORMATION

Online registrants will receive immediate email confirmation. If registering by form, confirmation will be emailed, faxed, or mailed within 72 hours of receipt of payment.

### REGISTRATION CANCELLATION / REFUND INFORMATION

Registrations cancelled prior to 5pm Eastern November 10, 2010 are subject to a \$100 cancellation fee. Registrations are non-refundable after 5pm Eastern November 10, 2010.

### HOUSING

### RESERVATION CUTOFF FOR ALEC DISCOUNTED RATE IS NOVEMBER 4, 2010

**\*\*Save \$50 on registration by booking your hotel room in ALEC's headquarter hotel\*\***

- ☐ I do not require a reservation at this time.

Arrival Date \_\_\_\_\_ Departure Date \_\_\_\_\_

- ☐ Sharing room with \_\_\_\_\_

#### Room type

- ☐ Single (1 person - 1 bed) \$ 269
- ☐ Double (2 persons - 1 bed) \$ 294
- ☐ Db/Db (2 persons - 2 beds) \$ 294
- ☐ Triple (3 persons - 2 beds) \$ 319
- ☐ Quad (4 persons - 2 beds) \$ 344
- ☐ Government rate Not Available

\* All rates DO NOT include sales tax 14.5 % (subject to change)

**Suites and upgraded accommodations** are available upon request. Please call ALEC Housing at the number listed above for additional information.

#### Special requests

- ☐ ADA room required:  
\_\_\_\_\_ Audio \_\_\_\_\_ Visual \_\_\_\_\_ Mobile
- ☐ Rollaway / crib: \_\_\_\_\_
- ☐ Other: \_\_\_\_\_

### METHOD OF HOUSING PAYMENT

- ☐ Please use the same method of payment as above.

**Credit Card:** Credit Cards will be used to guarantee the reservation.

- ☐ Amer Express ☐ Visa ☐ MasterCard ☐ Discover

Card # \_\_\_\_\_

Cardholder (please print) \_\_\_\_\_

Exp Date (mm/yy) \_\_\_\_\_ Security Code \_\_\_\_\_

Signature \_\_\_\_\_

**Checks:** Payment must be in U.S. currency drawn on a U.S. bank. Please make check payable to ALEC and send to above address.

**Note:** Cutoff for reservations at the ALEC rate is November 4, 2010. After November 4, 2010, every effort will be made to accommodate new reservations, based on availability and rate.

### HOUSING CONFIRMATION INFORMATION

Online reservations will receive immediate email confirmation. Reservations received by form will be confirmed via email, fax, or mail within 72 hours of receipt.

### HOUSING CANCELLATION / REFUND INFORMATION

Credit cards will be charged one night room and tax in the event of a no show or if cancellation occurs within 72 hours prior to arrival. Departures prior to the departure date confirmed by the hotel at check-in will result in a charge of one night room and tax. Please obtain a cancellation number when your reservation is cancelled.

# SPOUSE / GUEST REGISTRATION / HOUSING FORM

December 1-3, 2010

AMERICAN LEGISLATIVE EXCHANGE COUNCIL  
**ALEC**

**Grand Hyatt Washington  
Hotel**  
1000 H Street, NW  
Washington, DC 20001



**Grand Hyatt Washington**

**Online**  
www.alec.org

**Fax (credit cards only)**  
202.331.1344

**Phone / Questions** • Mon-Fri, 8am-5:30 pm Eastern  
202.742.8538

**Mail** • ALEC Registration & Housing  
P.O. Box 96754 • Washington, DC 20090-6754

## ATTENDEE INFORMATION IS REQUIRED TO REGISTER A SPOUSE OR GUEST

Prefix (required) ☐ Sen ☐ Rep ☐ Del ☐ Mr ☐ Mrs ☐ Ms ☐ Other \_\_\_\_\_

Last Name \_\_\_\_\_ First Name \_\_\_\_\_ Middle Initial \_\_\_\_\_ Badge Nickname \_\_\_\_\_

Title \_\_\_\_\_

Organization (required) \_\_\_\_\_

Address \_\_\_\_\_ Suite # \_\_\_\_\_

City \_\_\_\_\_ State/Province \_\_\_\_\_ Country \_\_\_\_\_ ZIP/Postal code \_\_\_\_\_

Daytime phone \_\_\_\_\_ Fax \_\_\_\_\_ Alternate phone \_\_\_\_\_

Email (confirmation will be sent by email) \_\_\_\_\_

## SPOUSE / GUEST REGISTRATION

### SPOUSE / GUEST REGISTRATION GUIDELINES

1. Spouse / guest registration is meant to accommodate legal spouse and immediate family members.
2. Attendees from the same organization must register independently. No exception will be made.
3. Spouse / guest designation will be clearly visible on name badge.
4. Spouse / guest registrants are not eligible to attend ALEC Task Force meetings.

Last Name \_\_\_\_\_ First Name \_\_\_\_\_ Middle initial \_\_\_\_\_ Badge Nickname \_\_\_\_\_

Last Name \_\_\_\_\_ First Name \_\_\_\_\_ Middle initial \_\_\_\_\_ Badge Nickname \_\_\_\_\_

Last Name \_\_\_\_\_ First Name \_\_\_\_\_ Middle initial \_\_\_\_\_ Badge Nickname \_\_\_\_\_

SPOUSE / GUEST REGISTRATION FEES	Number of Spouse/Guest(s)	Early Until 11/10	On-Site Begin 11/11	TOTAL
<input type="checkbox"/> Spouse / Guest <i>please note name(s) above</i>	_____	\$ 150	\$ 150	\$ _____

### METHOD OF SPOUSE / GUEST REGISTRATION PAYMENT

**Credit Card:** Credit cards will be charged immediately. Please fax to the above number for processing.

☐ Amer Express Card # \_\_\_\_\_

☐ Visa Cardholder (please print) \_\_\_\_\_

☐ MasterCard Exp Date (mm/yy) \_\_\_\_\_ Security Code \_\_\_\_\_

Signature \_\_\_\_\_

**Checks:** Payment must be in U.S. currency drawn on a U.S. bank. Please make check payable to ALEC Registration and send to above address.

**Note:** If registering after November 10, please bring completed form and payment to register on-site.

### REGISTRATION CONFIRMATION INFORMATION

Online registrants will receive immediate email confirmation to the address provided above. If registering by form, confirmation will be emailed, faxed, or mailed within 72 hours of receipt of payment.

### REGISTRATION CANCELLATION / REFUND INFORMATION

Registrations cancelled prior to 5pm Eastern November 10, 2010 are subject to a \$100 cancellation fee. Registrations are non-refundable after 5pm Eastern November 10, 2010.



## **Mission Statement**

The American Legislative Exchange Council's mission is...

To advance the Jeffersonian Principles of free markets, limited government, federalism, and individual liberty through a nonpartisan public-private partnership among America's state legislators, concerned members of the private sector, the federal government, and the general public.

To promote these principles by developing policies that ensure the powers of government are derived from, and assigned to, first the People, then the States, and finally the Federal Government.

To enlist state legislators from all parties and members of the private sector who share ALEC's mission.

To conduct a policy making program that unites members of the public and private sector in a dynamic partnership to support research, policy development, and dissemination activities.

To prepare the next generation of political leadership through educational programs that promote the principles of Jeffersonian democracy, which are necessary for a free society.

## **SCHOLARSHIP POLICY BY MEETING**

### ***ALEC Spring Task Force Summit:***

1. ***Spring Task Force Summit Reimbursement Form:*** ALEC Task Force Members are reimbursed by ALEC up to a predetermined set limit for travel expenses. Receipts must be forwarded to the ALEC Policy Coordinator and approved by the Director of Policy.
2. ALEC Task Force Members' room & tax fees for a two-night stay are covered by ALEC.
3. *Official Alternate Task Force Members* (chosen by the State Chair and whose names are given to ALEC more than 35 days prior to the meeting to serve in place of a Task Force Member who cannot attend) are reimbursed in the same manner as Task Force Members.
4. ***State Scholarship Reimbursement Form:*** Any fees above the set limit, or expenses other than travel and room expenses can be submitted by Task Force Members for payment from their state scholarship account upon the approval of the State Chair. Receipts must be submitted to the State Chair, who will submit the signed form to the Director of Membership.
5. *Non-Task Force Members* can be reimbursed out of the state scholarship fund upon State Chair approval. Receipts must be submitted to the State Chair, who will submit the appropriate signed form to the Director of Membership.

### ***ALEC Annual Meeting:***

***State Scholarship Reimbursement Form:*** State scholarship funds are available for reimbursement by approval of your ALEC State Chair. Expenses are reimbursed after the conference, and may cover the cost of travel, room & tax, and registration. Receipts are to be submitted to the State Chair, who will then submit the signed form to the Director of Membership.

### ***ALEC States & Nation Policy Summit:***

1. ***States & Nation Policy Summit Reimbursement Form:*** ALEC offers two scholarships per state to cover the cost of travel, room & tax, and registration not to exceed \$1,000.00 per person for a total of \$2,000.00 per state. ALEC scholarship recipients must be named by the ALEC State Chair. Expenses are submitted to the State Chair and reimbursed after the conference. The State Chair submits the signed form to the Director of Membership.
2. ***State Scholarship Reimbursement Form:*** Any other fees or payments must come out of the state scholarship account, with the approval of the State Chair. Receipts must be submitted to the State Chair, who submits the signed form to the Director of Membership.

### ***ALEC Academies:***

***Academy Reimbursement Form:*** Attendees of ALEC Academies are reimbursed by the Task Force Committee hosting the Academy. Attendees will receive a form at the Academy, and will be reimbursed up to \$500.00 for travel, and room & tax fees for a two-night stay by ALEC. Receipts must be forwarded to the appropriate Task Force Director and approved by the Director of Policy.



## **American Legislative Exchange Council TASK FORCE OPERATING PROCEDURES**

### ***I. MISSION OF TASK FORCES***

Assume the primary responsibility for identifying critical issues, developing ALEC policy, and sponsoring educational activities which advance the Jeffersonian principles of free markets, limited government, federalism, and individual liberty. The mission will be accomplished through a non-partisan, public and private partnership between ALEC's legislative and private sector members in the specific subject areas assigned to the Task Force by the Board of Directors.

### ***II. TASK FORCE RESPONSIBILITIES***

- A. Task Forces have the primary responsibility for identifying critical issues and developing ALEC's official policy statements and model legislation appropriate to the specific subject areas of the Task Force.
- B. Task Forces serve as forums for an exchange of ideas and sharing of experiences between ALEC's state legislator and private sector members.
- C. Task Forces are responsible for developing and sponsoring the following educational activities appropriate to the specific subject area of the Task Force:
  - publications that express policy positions, including, but not limited to State Factors and Action Alerts;
  - educational communication and correspondence campaigns;
  - issue specific briefings, press conferences and press campaigns;
  - witness testimony and the activities of policy response teams;
  - workshops at ALEC's conferences; and
  - specific focus events.
- D. The Executive Director is to ~~Task Forces are responsible for developing an annual budgets,~~ which shall include expenses associated with Task Force meetings and educational activities. A funding mechanism to finance all meetings and educational activities proposed by Task Forces must be available before they can be undertaken.

### ***III. GENERAL PROCEDURES***

- A. Requests from ALEC members for policy statements, model legislation and educational activities shall be directed by the Executive Director to the appropriate Task Force, or the Board of Directors if the issue does not fall within the jurisdiction of any Task Force. The appropriate Public and Private Sector Task Force Co-Chairs determine the agenda for each Task Force meeting, and the meetings will be called and conducted in accordance with these Operating Procedures.

The Director of Policy with the consent of the Executive Director assigns a model bill or resolution to the most appropriate Task Force based on Task Force content and prior jurisdictional history 35 days before a Task Force Meeting. All Task Force Co-Chairs will be provided an email or fax summary of all model bills and resolutions 35 days before the Task Force meeting

If both the Co-Chairs of a Task Force are in agreement that they should have jurisdiction on model legislation or a resolution, the legislation or resolution will be considered by the Task Force. If the other Task Force Co-Chairs believe they should have jurisdiction or if the author of the model bill or resolution does not agree on the jurisdictional assignment of the bill, they will have 10 days after the 35-day mailer deadline to submit in writing or by electronic appeal to the Director of Policy their intent to challenge the jurisdiction assignment. The Director of Policy will notify the Executive Director who will in turn notify the National Chair and the Private Enterprise Board Chair. The National Chair and the Private Enterprise Board Chair will in turn refer the matter in question to the Board of Directors Task Force Board Committee. The Director of Policy will establish a conference call for the Task Force Board Committee co- chairs, the author, the affected Task Force Co-Chairs and the Director of Policy at a time convenient for all participants.

The Task Force Board Committee Co-Chairs shall listen to the jurisdictional dispute by phone or in person within 10 days of the request. If both Task Force Board Committee Co-Chairs are in agreement that the Director of Policy made an incorrect jurisdictional referral, only then will the model bill or resolution be reassigned to a committee as they specify once agreed upon by the National Chair and the Private Enterprise Board Chair. The bill or model resolution is still eligible to be heard in whatever Task Force it is deemed to be assigned to as if submitted to the correct Task Force for the 35-day mailer. The National Chair and the Private Enterprise Board Chair decision is final on this model bill or resolution.

Joint referral of model legislation and/or resolutions are allowed if all the affected Task Force Co-Chairs agree. All model legislation and resolutions that have been referred to, more than one Task Force must pass the identical language in both Task Forces within two consecutive Task Force meetings. It is at the Task Force

Co-Chairs discretion how they will handle the hearings of the model legislation or resolution. Both sets of co-chairs have the ability to call a working group, subcommittee, or simply meet consecutively or concurrently if necessary.

If the Task Force co-chairs both agree to waive jurisdiction, they may do so as long as another Task Force still has jurisdiction.

The National Chair and the Private Sector Board Chair will rely upon the Task Force Board Committee Co-Chairs for advice and recommendations on model legislation or resolutions when no jurisdiction in any of the existing Task Forces in operation can be found. The Task Force Board Committee Co-Chairs will work with the Executive Director and the Director of Policy to identify public and private sector Task Force members (not alternates) from the existing Task Forces should their expertise be of assistance to the Task Force Board Committee in reaching a determination and recommendation for approval by the National Chair and the Private Enterprise Board Chair.

- B. The National Chair and the Private Sector Board Chair will rely upon the Task Force Board Committee Co-Chairs for advice and recommendations on model legislation or resolutions when no jurisdiction in any of the existing Task Forces in operation can be found. The Task Force Board Committee Co-Chairs will work with the Executive Director and the Director of Policy to identify public and private sector Task Force members (not alternates) from the existing Task Forces should their expertise be of assistance to the Task Force Board Committee in reaching a determination and recommendation for approval by the National Chair and the Private Enterprise Board Chair.
- C. The Board of Directors shall have ultimate authority over Task Force procedures and actions including the authority to create, to merge or to disband Task Forces and to review Task Force actions in accordance with these Operating Procedures. Nothing in these Operating Procedures prohibits the Board of Directors from developing ALEC policy; however, such a practice should be utilized only in exceptional circumstances. Before the policy is adopted by the Board of Directors, it should be sent to the Public and Private Sector Task Force Co-Chairs under whose jurisdiction the matter falls for review and comment back to the Board of Directors.
- D. The operating cycle of a Task Force is two years. A new operating cycle begins on January 1 of each odd numbered year and ends on December 31 of the following even numbered year. Task Force activities shall be planned and budgeted on an annual basis within each two-year operating cycle.
- E. ~~At the ALEC Annual Meeting, each Task Force will be responsible for determining an operating budget for the succeeding calendar year. The Executive Director will notify the Task Force Co-Chairs, at the ALEC Annual Meeting, what inflation factor will be used by the Task Force to determine the operating~~



~~and programming budgets. Task Force membership and budget information will be reported to the Executive Director by the Public and Private Sector Task Force Co-Chairs. The Executive Director will present this information to the Board of Directors at its regular fall meeting.~~

- F. If a Task Force is unable to develop an operating budget, the Board of Directors will determine whether to continue the operations of the Task Force. This determination will be made according to: (1) the level of membership on the Task Force, and (2) the need for continued services developed by the Task Force for ALEC.
- G. The Board of Directors shall have the authority to allocate limited general support funds to finance the annual operating budget of Task Forces that meet the requirements prescribed in Section III (E). The Executive Director shall determine, and report to the Board of Directors, the amount of general support funds available to underwrite such Task Forces.

#### ***IV. MEMBERSHIP AND MEMBER RESPONSIBILITIES***

- A. The membership of a Task Force consists of legislators who are members in good standing of ALEC and are duly appointed to the Task Force, in accordance with Section VI (A) and private sector organizations that are full members of ALEC, contribute to the assessment for the Task Force operating budget, and are duly appointed to the Task Force, in accordance with Section VI (B). Private sector organizations that were full members of ALEC and contributed the assessment for the Task Force's operating budget in the previous year, can be appointed to the Task Force for the current year, conditional upon renewal of full ALEC membership and receipt of the current year's assessment for the Task Force operating budget prior to March 31<sup>st</sup>, unless an alternative date has been approved by the Executive Director.
- B. Each Task Force shall have least two Co-Chairs; a Public Sector Task Force Co-Chair and a Private Sector Task Force Co-Chair. The Public Sector Task Force Co-Chair must be a member of the Task Force and appointed in accordance with Section VI (A). The Private Sector Co-Chair must represent a private sector member of the Task Force and be appointed in accordance with Section VI(B). The Co-Chairs shall be responsible for:
  - (1) calling the Task Force and the Executive Committee meetings to order, setting the agenda and co-chairing such meetings;
  - (2) appointing and removing legislators and private sector members to and from the Task Force Executive Committee and subcommittees;
  - (3) creating subcommittees, and determining each subcommittee's mission, membership limit, voting rules, deadlines, and term of service; and

- (4) selecting Task Force members to provide support for and against Task Force policies during formal Board reviews.
- C. Each Task Force shall have an Executive Committee appointed by the Public and Private Sector Task Force Co-Chairs that is appropriate in number to carry out the work product and strategic plan of ALEC and the Task Force. The Executive Committee shall consist of the Public Sector Task Force Co-chair, the Private Sector Task Force Co-Chair, the subcommittee co-chairs, and the remainder will be an equal number of legislative and private sector Task Force members. The Executive Committee will be responsible for determining the operating budget and proposing plans, programs and budgets for the succeeding year in accordance with (Section V (B); determining if a proposed educational activity conforms to a previously approved model bill, resolution or policy statement in accordance with (Section IX (F); and determining if an emergency situation exists that justifies waiving or reducing appropriate time limits in accordance with (Section VIII (H)).
- D. Each Task Force may have any number of subcommittees, consisting of Task Force members and advisors to focus on specific areas and issues and make policy recommendations to the Task Force. The Task Force Co-chairs, shall create subcommittees and determine each subcommittee's mission, membership limit, voting rules, deadlines, and term of service. Any model bill, resolution or policy statement approved by a subcommittee must be approved by the Task Force before it can be considered official ALEC policy.
- E. Each Task Force may have advisors, appointed in accordance with Section VI (G). Advisors shall assist the members and staff of the Task Force. They shall be identified as advisors on official Task Force rosters, included in all official Task Force mailings and invited to all Task Force meetings. Advisors may also have their expenses paid at Task Force meetings covered by the Task Force operating budget with the approval of the Task Force Co-Chairs. An advisor cannot be designated as the primary contact of a private sector Task Force member, cannot be designated to represent a private sector Task Force member at a Task Force, Executive Committee, or subcommittee meeting, and cannot offer or vote on any motion at a Task Force, Executive Committee, or subcommittee meeting.

## ***V. Task Force Budgets***

- A. Each Task Force shall develop and operate a yearly budget to fund meetings.
- B. The operating budget shall be used primarily to cover expenses for Task Force meetings, unless specific funds within the budget are authorized for other use by the Task Force. The operating budget shall be assessed equally among the private sector members of the Task Force. The Executive Director, in consultation with the Task Force Co-Chairs shall determine which costs associated with each meeting will be reimbursed from the operating budget. Any funds remaining in a

Task Force's operating budget at the end of a year are transferred to ALEC's general membership account.

- C. The operating budget shall not be used to cover Task Force meeting expenses associated with alternate task force members' participation, unless they are appointed by their State Chair to attend the Spring Task Force Summit with the purpose to serve in place of a Task Force Member who is unable to attend. Task Force meeting expenses of alternate task force members shall be covered by their state's scholarship account.
- D. The programming budget shall be used to cover costs associated with educational activities. Contributions to the programming budget are separate, and in addition to operating budget contributions and annual general support/membership contributions to ALEC. The Executive Director shall determine the contribution required for each educational activity.

## ***VI. PROCESS FOR SELECTING TASK FORCE MEMBERS, CHAIRS, COMMITTEES AND ADVISORS***

- A. Prior to February 1 of each odd-numbered year, the current and immediate past National chairman will jointly select and appoint in writing three legislative members and three alternates to the Task Force who will serve for the current operating cycle, after receiving nominations from ALEC's Public and Private State Chairs, the Executive Director and the ALEC Public and Private Sector members of the Board. At any time during the year, the National Chairman may appoint in writing new legislator members to each Task Force, except that no more than three legislators from each state may serve as members of any Task Force, no legislator may serve on more than one Task Force and the appointment cannot be made earlier than thirty days after the new member has been nominated. In an effort to ensure the nonpartisan nature of each Task Force, it is recommended that no more than two legislators of any one political party from the same state be appointed to serve as members of any Task Force. A preference will be given to those ALEC legislator members who serve on or chair the respective Committee in their state legislature. A preference will be given to legislators who sponsor ALEC Task Force model legislation in the state legislature.
- B. Prior to January 10 of each odd-numbered year, the current and immediate past National Chairman will jointly select and appoint in writing the Task Force Chair who will serve for the current operating cycle, after receiving nominations from the Task Force. Nominations will be requested by the outgoing Task Force Chair and may be placed in rank order prior to transmittal to the Executive Director no later than December 1 of each even-numbered year. No more than five names may be submitted in nomination by the outgoing Task Force chair. The current and immediate past National Chairmen will jointly make the final selection, but

should give strong weight to the recommendations of the outgoing Task Force Chair. In an effort to empower as many ALEC leaders as possible, State Chairs and members of the Board of Directors will not be selected as Task Force Chairs. Task Force Chairs shall serve for one operating cycle term. Where special circumstances warrant, the current and immediate past National Chairmen may reappoint a Task Force Chair to a second operating cycle term.

- C. Prior to February 1 of each odd numbered year, the Public and Private Sector Task Force Co-Chairs will select and appoint in writing the legislative and private sector members of the Task Force Executive Committee, who will serve for the current operating cycle. The Public and Private Sector Task Force Co-Chairs will select and appoint in writing the legislative and private sector members and advisors to any subcommittee.
- D. Prior to February 1 of each year, the Private Enterprise Board Chair and the immediate past Private Enterprise Board Chair will select and appoint in writing the private sector members to the Task Force who will serve for the current year. The appointment letter shall be mailed to the individual designated as the primary contact for the private sector entity. At any time during the year, the Chair of the Private Enterprise Board may appoint in writing new private sector members to each Task Force, but no earlier than thirty days after the new member has qualified for full membership in ALEC and contributed the assessment for the appropriate Task Force's operating budget.
- E. Prior to January 10 of each odd-numbered year, the Chair of the Private Enterprise Board and the immediate past Private Enterprise Board Chair will select and appoint in writing the Task Force Private Sector Co-Chair who will serve for the current operating cycle, after receiving nominations from the Task Force. Nominations will be requested by the outgoing Task Force Private Sector Chair and may be placed in rank order prior to transmittal to the Chair of the Private Enterprise Board. The Chair and the immediate past Chair of the Private Enterprise Board will make the final selection, but should give strong weight to the recommendations of the outgoing Private Sector Task Force Co-Chair. In an effort to empower as many ALEC private sector members as possible, Private Enterprise State Chairs and members of the Private Enterprise Board will not be selected as Private Sector Task Force Co-Chairs. Private Sector Task Force Co-Chairs shall serve for one operating cycle term. Where special circumstances warrant, the current and immediate past Chair of the Private Enterprise Board may reappoint a Task Force Private Sector Chair to a second operating cycle term.
- F. Prior to February 1 of each odd-numbered year, the Task Force Private Sector Co-Chair will select and appoint in writing the private sector members of the Task Force Executive Committee, who will serve for the current operating cycle. The Task Force Private Sector Co-Chair shall select and appoint in writing the private sector members of any subcommittees.

- G. The Public and Private Sector Task Force Co-Chairs, may jointly appoint subject matter experts to serve as advisors to the Task Force. The National Chair and the Private Enterprise Board Chair may also jointly recommend to the Task Force Co-Chairs subject matter experts to serve as advisors to the Task Force.

## ***VII. REMOVAL AND VACANCIES***

- A. The National Chair may remove any Public Sector Task Force Co-Chair from his position and any legislative member from a Task Force with or without cause. Such action will not be taken except upon thirty days written notice to such Chair or member whose removal is proposed. For purposes of this subsection, cause may include failure to attend two consecutive Task Force meetings.
- B. The Public Sector Task Force Co-Chair may remove any legislative member of an Executive Committee or subcommittee from his position with or without cause. Such action shall not be taken except upon thirty days written notice to such member whose removal is proposed. For purposes of this subsection, cause may include failure to attend two consecutive meetings.
- C. The Chairman of the Private Enterprise Board may remove any Private Sector Task Force Co-Chair from his position and any private sector member from a Task Force with cause. Such action shall not be taken except upon thirty days written notice to such Chair or member whose removal is proposed. For purposes of this subsection, cause may include but is not limited to the non-payment of ALEC General Membership dues and the Task Force dues. .
- D. The Private Sector Task Force Co-Chair may remove any private sector member of an Executive Committee or subcommittee from his position with cause. Such action shall not be taken except upon thirty days written notice to such member whose removal is proposed. For purposes of this subsection, cause may include but is not limited to the non-payment of ALEC General Membership dues and the Task Force dues.
- E. The Public and Private Sector Task Force Co-Chairs may remove an advisor from his position with or without cause. Such action shall not be taken except upon thirty days written notice to such advisor whose removal is proposed.
- F. Any member or advisor may resign from his position as Public Sector Task Force Co-Chair, Private Sector Task Force Co-Chair, public or private sector Task Force member, Task Force advisor, Executive Committee member or subcommittee member at any time by writing a letter to that effect to the Public Sector and Private Sector Task Force Co-Chairs. The letter should specify the effective date of the resignation, and if none is specified, the effective date shall be the date on which the letter is received by the Public and Private Task Force Co-Chairs.

- G. All vacancies for Public Sector Task Force Co-Chair, Private Sector Task Force Co-Chair, Executive Committee member and subcommittee member shall be filled in the same manner in which selections are made under Section VI. All vacancies to these positions must be filled within thirty days of the effective date of the vacancy.

### ***VIII. MEETINGS***

- A. Task Force meetings shall only be called by the joint action of the Public and Private Sector Task Force Co-Chairs. Task Force meetings cannot be held any earlier than thirty-five days after being called, unless an emergency situation has been declared pursuant to Section VIII(H), in which case Task Force meetings cannot be held any earlier than ten days after being called. It is recommended that, at least once a year, the Task Forces convene in a common location for a joint Task Force Summit. Executive Committee meetings shall only be called by the joint action of the Public and Private Sector Task Force Co-Chairs and cannot be held any earlier than three days after being called, unless the Executive Committee waives this requirement by unanimous consent.
- B. At least forty-five days prior to a task force meeting any model bill, resolution or policy must be submitted to ALEC staff that will be voted on at the meeting. At least thirty-five days prior to a Task Force meeting, ALEC staff shall distribute copies of any model bill, resolution or policy statement that will be voted on at that meeting. This requirement does not prohibit modification or amendment of a model bill, resolution or policy statement at the meeting. This requirement may be waived if an emergency situation has been declared pursuant to Section VIII(H).
- C. All Task Force meetings are open to registered attendees and invited guests of ALEC meetings and conferences. Only regular Task Force Members may introduce any resolution, policy statement or model bill. Only Task Force members will be allowed to participate in the Task Force meeting discussions and be seated at the table during Task Force meetings, unless otherwise permitted by the Public and Private Sector Task Force Co-Chairs.
- D. ALEC private sector member organizations may only be represented at Task Force and Executive Committee meetings by the individual addressed in the appointment letter sent pursuant to Section VI(D) or a designee of the private sector member. If someone other than the individual addressed in the appointment letter is designated to represent the private sector member, the designation must be submitted in writing to the Public and Private Sector Task Force Co-Chairs before the meeting, and the individual cannot represent any other private sector member at the meeting.

- E. All Task Force and Executive Committee meetings shall be conducted under the guidelines of Roberts Rules of Order, except as otherwise provided in these Operating Procedures. A copy of the Task Force Operating Procedures shall be included in the briefing packages sent to the Task Force members prior to each meeting.
- F. A majority vote of legislative members present and voting and a majority vote of the private sector members present and voting, polled separately, are required to approve any motion offered at a Task Force or Executive Committee meeting. A vote on a motion to reconsider would be only with the sector that made the motion. Members have the right, in a voice vote, to abstain and to vote present by roll-call vote. In all votes a member can change their vote up until the time that the result of the vote is announced. Only duly appointed members or their designee as stated in Section VIII (D) that are present at the meeting may vote on each motion. No proxy, absentee or advance voting is allowed.
- G. The Public Sector Task Force Co-Chair and the Private Sector Task Force Co-Chair, with the concurrence of a majority of the Executive Committee, polled in accordance with Section VIII (F), may schedule a Task Force vote by mail or ~~fax~~ any form of electronic communication on any action pertaining to policy statements, model legislation or educational activity. The deadline for the receipt of votes can be no earlier than thirty-five days after notification of the vote is mailed or ~~faxed~~ notified by any form of electronic communication, unless an emergency situation is declared pursuant to Section VIII (H), in which case the deadline can be no earlier than ten days after notification is mailed or ~~faxed~~ notified by any form of electronic communication. Such votes are exempt from all rules in Section VIII, except: (1) the requirement that copies of model legislation and policy statements be mailed or ~~faxed~~ notified by any form of electronic communication with the notification of the vote and (2) the requirement that a majority of legislative members voting and a majority of the private sector members voting, polled separately, is required to approve any action by a Task Force.
- H. For purposes of Sections VIII(A), (B) and (G), an emergency situation can be declared by:
- (1) Unanimous vote of all members of the Task Force Executive Committee present at an Executive Committee meeting prior to the meeting at which the Task Force votes on the model bill, resolution or policy statement; or
  - (2) At least three-fourth majority vote of the legislative and private sector Task Force members (voting in accordance with Section VIII (F)) present at the meeting at which the members vote on the model bill, resolution or policy statement.

- I. Ten Task Force members shall constitute a quorum for a Task Force meeting. One-half of the legislative and one-half of the private sector members of an Executive Committee shall constitute a quorum for an Executive Committee meeting.

## IX. ***REVIEW AND ADOPTION PROCEDURES***

- A. All Task Force policy statements, model bills or resolutions shall become ALEC policy either: (1) upon adoption by the Task Force and affirmation by the Board of Directors or (2) thirty days after adoption by the Task Force if no member of the Board of Directors requests, within those thirty days, a formal review by the Board of Directors. General information about the adoption of a policy position may be announced upon adoption by the Task Force.
- B. The Executive Director shall notify the Board of Directors of the approval by a Task Force of any policy statement, model bill or resolution within ten days of such approval. Members of the Board of Directors shall have thirty days from the date of Task Force approval to review any new policy statement, model bill or resolution prior to adoption as official ALEC policy. Within those thirty days, any member of the Board of Directors may request that the policy be formally reviewed by the Board of Directors before the policy is adopted as official ALEC policy.
- C. A member of the Board of Directors may request a formal review by the Board of Directors. The request must be in writing and must state the cause for such action and a copy of the letter requesting the review shall be sent by the National Chairman to the appropriate Task Force Chair. The National Chairman shall schedule a formal review by the Board of Directors no later than the next scheduled Board of Directors meeting.
- D. The review process will consist of key members of the Task Force, appointed by the Task Force Chair, providing the support for and opposition to the Task Force position. Position papers may be faxed or otherwise quickly transmitted to the members of the Board of Directors. The following is the review and adoption procedures:
  - Notification of Committee: Staff will notify Task Force Chairs and the entire task force when the Board requests to review one of the Task Forces' model bills or resolutions.
  - Staff Analysis: Will be prepared in a neutral fashion. The analyses will include:
    - History of Task Force action
    - Previous ALEC official action/resolutions
    - Issue before the board
    - Proponents arguments



- Opponents arguments
- Standardized Review Format: To ensure fairness, a set procedure will be used as the format to ensure the model bill/resolution has a fair hearing before the Board.
  - Task Force Chair(s) will be invited to attend the Board Review
  - Task Force Chair(s) will decide who will present in support and in opposition for the model bill/resolution before the Board.
  - Twenty minutes that is equally divided will be given for both sides to present before the Board.
  - It is suggested that the Board not take more than twenty minutes to ask questions of the presenters.
  - Presenters will then be excused and the Board will have a suggested twenty more minutes for discussion and vote.
  - All votes will be recorded for the official record.
- Notification of Committee: The Director of Policy will notify presenters immediately after the vote. If the Board votes to send the model bill/resolution back to the task force, the Board will instruct the Director of Policy or another board member what to communicate.

E. The Board of Directors can:

- (1) Vote to affirm the policy or affirm the policy by taking no action, or
- (2) Vote to disapprove the policy, or
- (3) Vote to return the policy to the Task Force for further consideration providing reasons therefore.

F. Task Forces may only undertake educational activities that are based on a policy statement, model bill or resolution that has been adopted as official ALEC policy, unless the Task Force votes to undertake the educational activity, in which case the educational activity is subjected to the same review process outlined in this Section. It is the responsibility of the Task Force Executive Committee to affirm by three-fourths majority vote conducted in accordance with Section VIII that an educational activity conforms to a policy statement, model bill or resolution.

## **X. EXCEPTIONS TO THE TASK FORCE OPERATING PROCEDURES.**

Exceptions to these Task Force Operating Procedures must be approved by the Board of Directors.